

## Message Text

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PAGE 01 STOCKH 01286 241121Z  
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 /021 W  
-----241124Z 074130 /17

P R 241020Z MAR 77  
FM AMEMBASSY STOCKHOLM  
TO USDOC WASHDC PRIORITY  
INFO SECSTATE WASHDC 0125

UNCLAS STOCKHOLM 1286

E.O. 11652: N/A  
TAGS: BEXP, SW  
SUBJECT: STC OPERATIONS MARKET RESEARCH: CLIMATE CONTROL (HEVAC)

1. MARKET RESEARCH CONTRACTOR PROVIDED FOLLOWING SUMMARY OF  
REPORT:

2. THE 1973-74 ENERGY CRISIS SPARKED MANY PROJECTS FOR SAVING  
AND DECREASING DEPENDENCY ON IMPORTS OF ENERGY, MOST NOTABLY  
OIL/GAS OR COAL. WITHIN SWEDEN, MUCH OF THE HYDROELECTRIC  
POWER IS ALREADY UTILIZED AND WHAT RESERVES REMAIN ARE ALSO  
CLAIMED FOR RECREATIONAL AND ECOLOGICAL NEEDS. OIL AND NUCLEAR  
STEAM SUPPLIES THE ADDITIONAL AND PEAK SUPPLY BUT WITH NUCLEAR  
POWER POLITICALLY VERY HOT TO HANDLE, AND OIL ECONOMICALLY  
UNSAFE, ADJUSTMENT TO A SLOWER OVERALL GROWTH RATE IN SWEDISH  
ECONOMY SEEMS CALLED FOR.

3. ECONOMIZING AND CONTROLLING THE INTERIOR CLIMATE IN A MORE  
EFFICIENT MANNER IS ONE IMPORTANT AVENUE TOWARD BETTER ENERGY  
UTILIZATION. THE FIRST AND FOREMOST RECOMMENDATION OFFERED BY  
SWEDISH EXPERTS IS BETTER INSULATION TO REDUCE LOSSES. SECOND  
IS RECYCLING AND STORING HEAT ENERGY, WHICH FAVORS WATER-BASED  
SYSTEMS FOR TRANSPORT, ESPECIALLY AS THESE ARE MOST READILY  
ADAPTABLE TO VARIOUS TYPES OF ENERGY INPUT - INDUSTRY OR POWER  
STATION EXCESS HEAT, ELECTRICITY DURING THE NIGHT AND SOLAR  
DURING THE DAY, OR LITERALLY ANTHING THAT WILL BURN.

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PAGE 02 STOCKH 01286 241121Z

4. THERE IS STRONG OFFICIAL INDUCEMENT TO JOIN UP APARTMENT  
HOUSES TO FORM REMOTE INPUT HEATING SYSTEMS WHERE HOT WATER  
IS CIRCULATED THROUGH HEAT EXCHANGERS IN EACH SEPARATE  
BUILDING. TO ECONOMIZE FULLY, VENTILATION MUST BE SOLVED BY  
RECYCLING INSTEAD OF "THROUGH THE WINDOW" -- EXHAUST AIR CAN  
BE USED TO WARM THE FRESH AIR COMING IN, FOR INSTANCE. THE

TECHNOLOGY IS ALREADY AVAILABLE, BUT IMPLEMENTATION IS SLOW. EXPERTS AGREE SWEDEN WILL BE WELL INTO THE EIGHTIES BEFORE IT FULLY USES EXISTING TECHNIQUES FOR EFFICIENCY. A HAMPERING FACTOR IN THIS MARKET IS THAT PROJECTIONS FOR BUILDING AND CONSTRUCTION ARE NOT VERY OPTIMISTIC - AN ANNUAL GROWTH OF 1.8 PER CENT COMPARED TO THE PROJECTION OF GNP AT 3 PERCENT.

5. RE HOUSING, SOME 75 TO 80 PER CENT OF ALL LIVING UNITS BUILT WILL BE SINGLE FAMILY HOMES, AND THESE MOST LIKELY WILL BE HEATED BY ELECTRIC RADIATORS FOR ANOTHER FEW YEARS DESPITE WHAT EXPERTS RECOMMEND. CLIMATE CONTROL OBVIOUSLY HAS MORE OF A MARKET IN NON-RESIDENTIAL BUILDINGS. HOWEVER, THE OUTLOOK FOR US SALES IN ONE RESPECT MIGHT BE GREATEST IN THE PRIVATE MARKET, NAMELY IN AIR CONDITIONING UNITS FOR INSTALLATION IN HOMES. EVEN THOUGH SWEDEN IS AT ALASKAN LATITUDES, WITH A MINNESOTA OR WASHINGTON STATE TYPE OF CLIMATE, UPGRADING THE QUALITY OF LIVING IS ONE VERY STRONG MARKET; THIS CERTAINLY INCLUDES AIR CONDITIONING. OTHER GOOD POTENTIAL IS IN SPECIALIZED COMPONENTS RELATING TO REFRIGERATION TECHNIQUES.

6. MANY LARGE AMERICAN COMPANIES HAVE SUBSIDIARIES HERE THAT ARE WELL KNOWN AND RESPECTED, AS IS THE KNOW-HOW THEY REPRESENT. THIS IS AN INTANGIBLE BUT VERY VALUABLE ASSET. INTEREST IN FOLLOWING UP DEVELOPMENTS ABROAD HAS BEEN EXPRESSED BY MOST OF THE PEOPLE WE TALKED TO - MOST LIKELY A SHOW THAT PUTS EMPHASIS ON THE LATEST INNOVATIONS WOULD BE THE MOST ATTRACTIVE. IMPORTS FROM US ACCOUNT FOR APPROX 9 PERCENT OF TOTAL SWEDISH IMPORTS, MAKING THE US THE

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PAGE 03 STOCKH 01286 241121Z

FOURTH LARGEST SUPPLIER AT PRESENT.  
SMITH

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## Message Attributes

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